

Office of Chief Counsel  
Internal Revenue Service

**memorandum**

CC:LM:NR:HOU:2:TL-3304-00  
NGraml **7L-N-3304-00**

date: August 23, 2001

to: International Manager Nieves M. Narvaez, Group 1215  
Attn: International Examiner Jerry Richards, Group 1215

from: Area Counsel (Natural Resources: Houston)

subject:

Form 1120, [REDACTED]

TIN: [REDACTED]

SOL: [REDACTED]

This responds to your question regarding the Office of Chief Counsel's position in the [REDACTED] issue subsequent to the Government's [REDACTED]. [REDACTED] involved taxable years [REDACTED] and [REDACTED], prior to the effective date of Treas. Reg. [REDACTED]

[REDACTED]). Because this regulation applies to the taxable years in issue in your taxpayer's case, you questioned whether Chief Counsel would support an adjustment.

On August 16, 2001, I spoke with Attorney Douglas Gible. He stated that [REDACTED] (b)(5)(DP)

[REDACTED] (b)(5)(AC), [REDACTED]

This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney-client privilege. If disclosure becomes necessary, please contact this office for our views.

Please call me at 281-721-7358 if I can be of further assistance.

BERNARD B. NELSON  
Area Counsel  
(Natural Resources: Houston)

By: \_\_\_\_\_  
NANCY GRAML  
Senior Attorney (LMSB)

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